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ATTORNEYS FOR DEFENDANT
ANDREW COHEN

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION
PLAINTIFF-APPLICANT,

ADV. PRO. No. 08-01789 (SMB)
SIPA LIQUIDATION

V.

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC

DEFENDANTS

IN RE:

BERNARD L. MADOFF,

DEBTOR.

IRVING H. PICARD, TRUSTEE FOR THE
LIQUIDATION OF BERNARD L. MADOFF
INVESTMENT SECURITIES, LLC
PLAINTIFF,

ADV. PRO. No. 10-04311 (SMB)

V.

ANDREW COHEN
DEFENDANT.

AFFIDAVIT OF R. PAUL SPEECE

I, R. PAUL SPEECE, after being duly sworn deposes and says:

1. I am an owner, member of Mc Phillips Roberts & Dean, PLC, located at 150 Boush Street, Suite 1100 Norfolk, VA 23510. I am a certified public accountant in the Commonwealth of Virginia and have maintained my license as such, for 37 years.

2. I have acted as accountant for Mr. Andrew Cohen and have provided accounting and tax preparation services to Mr. Andrew Cohen for approximately 13 years.

3. In that capacity I have been required to review all relevant documentation and prepare his personal tax returns for filing with both the Internal Revenue Service as well as the Commonwealth of Virginia.

4. In addition to his annual tax returns, I have been further involved in reviewing Mr. Cohen's prior tax returns and preparing and filing Mr. Cohen's IRS Form 1045 – Applications for Refunds in connection with the IRS Revenue Ruling 2009-9 and the investment income reported by Bernard L. Madoff Investment Securities, LLC. A true and correct copy of those filings are attached hereto as Exhibit A.

5. These refunds encompass returns filed for calendar years 2003 - 2007 (inclusive) and total \$608,567. See Exhibit A.

6. I have further prepared and filed applications for refunds with the Commonwealth of Virginia with respect to refunds of taxes paid for the investment income reported by Bernard L. Madoff Investment Securities, LLC. A true and correct copy of those filings are attached hereto as Exhibit B.

7. The State refunds filed encompass returns filed for calendar years 2006 - 2007 (inclusive) and total \$29,384. See Exhibit B.

8. Both the IRS and Virginia income tax refund applications were prepared and filed in September 2009.

9. We have not prepared or filed any other tax refund request for Mr. Cohen relating to Bernard L. Madoff Investment Securities, LLC income prior to calendar year 2003.

1996 Income Taxes

10. In 1996, Mr. Cohen reported taxable income of \$391,237. See Exhibit C.

11. In 1996 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital gains of \$40,710. See Exhibit D.

12. Mr. Cohen's applicable marginal federal tax rate in 1996 was 39.6%. See Exhibit E.

13. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$16,100 in Federal income tax.

14. Mr. Cohen's applicable marginal New York State tax rate in 1996 was 7.125%. See Exhibit E.

15. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$2,901 in New York State income tax.

16. Mr. Cohen's applicable marginal New York City tax rate in 1996 was 4.46%. See Exhibit G.

17. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$1,816 in New York City income tax.

1997 Income Taxes

18. In 1997, Mr. Cohen reported taxable income of \$533,609. See Exhibit H.

19. In 1997 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital gains of \$149,752. See Exhibit I.

20. Mr. Cohen's applicable marginal federal Income tax rate in 1997 was 39.6%. See Exhibit J.

21. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$59,300 in federal income tax.

22. Mr. Cohen's applicable marginal New York State tax rate in 1997 was 6.85%. See Exhibit K.

23. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$10,258 in New York State income tax.

24. Mr. Cohen's applicable marginal New York City tax rate in 1997 was 4.46%. See Exhibit L.

25. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$6,679 in New York City income tax.

1998 Income Taxes

26. In 1998, Mr. Cohen reported taxable income of \$471,948. See Exhibit M.

27. In 1998 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital

gains of \$221,114. See Exhibit N.

28. Mr. Cohen's applicable marginal federal tax rate in 1998 was partly at 36% and mostly at 39.6%. See Exhibit O.

29. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$86,600 in federal income tax.

30. Mr. Cohen's applicable marginal New York State tax rate in 1998 was 6.85%. See Exhibit P.

31. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$15,146 in New York State tax.

32. Mr. Cohen's applicable marginal New York City tax rate in 1998 was 4.46%. See Exhibit Q.

33. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$9,862 in New York City income tax.

1999 Income Taxes

34. In 1999, Mr. Cohen reported taxable income of \$875,718. See Exhibit R.

35. In 1999 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital gains of \$328,040. See Exhibit S.

36. Mr. Cohen's applicable marginal federal tax rate in 1999 was 39.6%. See Exhibit T.

37. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$129,900 in federal tax.

38. Mr. Cohen's applicable marginal New York State tax rate in 1999 was 6.85%. See Exhibit U.

39. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$22,471 in New York State tax.

40. Mr. Cohen's applicable marginal New York City tax rate in 1999 was 3.8276%. See Exhibit V.

41. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$12,556 in New York City income tax.

2000 Income Taxes

42. In 2000, Mr. Cohen reported taxable income of \$1,184,675. See Exhibit W.

43. In 2000 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital gains of \$310,330. See Exhibit X.

44. Mr. Cohen's applicable marginal federal tax rate in 2000 was 39.6%. See Exhibit Y.

45. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$122,900 in federal tax.

46. Mr. Cohen's applicable marginal New York State tax rate in 2000 was 6.85%. See Exhibit Z.

47. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$21,258 in New York State tax.

48. Mr. Cohen's applicable marginal New York City tax rate in 2000 was 3.7791%. See Exhibit AA.

49. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$11,728 in New York City income tax.

2001 Income Taxes

50. In 2001, Mr. Cohen reported taxable income of \$343,222. See Exhibit BB.

51. In 2001 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital gains of \$374,875. See Exhibit CC.

52. Mr. Cohen's applicable effective federal tax rate in 2001 was 30.95%. See Exhibit DD.

53. Based upon the investment gains reported by BLMIS, Mr. Cohen paid \$106,243 in federal tax.

54. Mr. Cohen's applicable Virginia State tax rate in 2001 was marginally 5.75%. See Exhibit EE.

55. Based upon the investment gains reported by BLMIS, Mr. Cohen paid approximately \$19,400 in Virginia Tax.

2002 Income Taxes

56. In 2002, Mr. Cohen reported taxable income of \$332,233. See Exhibit FF.

57. In 2002 BLMIS reported that Mr. Cohen earned dividends, interest and short-term capital gains of \$377,873. See Exhibit GG.

58. Mr. Cohen's applicable effective federal tax rate in 2002 was 29.8%. See Exhibit HH.

59. Based upon the investment gains reported by BLMIS, Mr. Cohen paid \$99,001 in federal Tax.

60. Mr. Cohen's applicable effective Virginia tax rate in 2002 was 5.50%. See Exhibit II.

61. Based upon the investment gains reported by BLMIS, Mr. Cohen paid \$19,750 in Virginia Tax.

62. Accordingly, Mr. Cohen has paid approximately \$ 773,869 in unrecovered taxes between the years 1996 and 2002 (inclusive). Attached hereto is Exhibit JJ providing a summary table of the unrecovered tax payments for years 1996-2002 (inclusive).

Dated: October 2, 2015

R. Paul Speece, CPA
R. Paul Speece, CPA

**Sworn to and subscribed before me
this 2nd day of October, 2015**

Patsy C. Armitage
Notary Public
Commonwealth of Virginia

